



April 23, 2012

Mr. Robert Fonberg  
Deputy Minister  
Department of National Defence (DND)  
101 Colonel By Drive  
Ottawa, ON K1A 0K2

**Re: PBO Information Request IR0083**

Dear Mr. Fonberg:

*Rob*

We have received a new request from a parliamentarian under Section 72.9 (d) of the *Parliament of Canada Act* (Act), requesting the PBO to undertake an update of the life cycle cost estimate of the F-35. Pursuant to the PBO's statutory authority under Section 79.3 of the Act, I would like to request that DND provide information and documents that provide a full life cycle cost of the F-35 aircraft, with life cycle cost being defined in the DND Costing Handbook (Annex I).

Further we would encourage DND to assume in its analysis, the Average Unit Procurement Cost (AUPC) published by the US Government Accountability Office (GAO), an independent, nonpartisan agency that works for the United States Congress. The last published figure for AUPC is US\$137 million per aircraft for all variants in GAO's report of March 20, 2012 (Annex II - Table 1, Page 4).

You may wish to undertake a sensitivity analysis to provide a range of potential AUPC figures. We would also ask that sustainment costs, including Operating & Support (O&S) costs, be reconciled with the estimates published by the US Department of Defense Cost Analysis and Program Evaluation (CAPE) unit.

Thank you for your attention to this matter. Please let me know if any part of this request requires clarification.

Yours truly,

*Kevin Page*

Kevin Page  
Parliamentary Budget Officer

c.c.: Rick Stewart, Assistant Secretary to the Cabinet, Privy Council Office, Liaison Secretariat for Macroeconomic Policy

### PBO Information Request

1) Request Number:	IR0083
2) PBO Contact Name:	Erin Barkel (613-943-8432 or <a href="mailto:erin.barkel@parl.gc.ca">erin.barkel@parl.gc.ca</a> )
3) Type of Request:	One-time
4) PBO Objective:	To provide an updated life cycle cost estimate for the F-35.
5) Relation to Mandate:	Pursuant to section 79.3 of the <i>Parliament of Canada Act</i> , the PBO may request of a deputy head any financial or economic data in the possession of the department that are required for the performance of his or her mandate.
6) Information and Data Requested:	Information provided on page 1 of the letter.
7) Priority:	Normal
8) Date Request Sent:	April 23, 2012
9) Response Required By:	May 7, 2012